27th November 1928]

(*d*), (*e*) & (*f*) No. The Mills were told as early as August 1926 that the amount of further loan admissible to them under the State Aid to Industries Act was strictly limited, and that the Government did not propose to grant any further assistance until they were satisfied that the company had reorganized itself and set up a proper and efficient management and found all the capital necessary over and above the admissible Government loan. The company has not so far satisfied these conditions.

Mr. K. V. R. SWAMI :—" In answer to clause (*c*) of this question it i stated ' The attention of the hon. Member is invited to the speech of the hon. the Finance Member on the adjournment motion on the 5th September 1928.' May I ask whether the Development Minister entirely depends upon the speeches of the hon. the Finance Member for his opinion? Has he no opinions of his own?"

The hon. the PRESIDENT :—" The reasons are to be found there."

Mr. K. V. R. SWAMI :—" Does he accept all those reasons?"

The hon. Mr. M. R. SETURATNAM AYYAR :—" In this matter 'yes'."

Mr. G. HARISARVOTTAMA RAO :—" With reference to the answers given in clauses (*d*), (*e*) and (*f*), did the Government call for an answer from the company and receive a reply? If they had received, what was the reply?"

The hon. Mr. M. R. SETURATNAM AYYAR :—" The Director of Industries reported on this matter on several occasions."

Mr. G. HARISARVOTTAMA RAO :—" May I know whether the hon. Minister is not prepared to give us the required information?"

The hon. Mr. M. R. SETURATNAM AYYAR :—" I want notice."

Issue of three months' notice to the shareholders of the Carnatic Paper Mills about the disposal of its properties.

* 696-A *Q.*—Mr. K. V. R. SWAMI : Will the hon. the Minister for Development be pleased to state—

(*a*) whether there is any clause in the mortgage deed executed by the Carnatic Paper Mills to the Government that in case the Government desire to dispose of the properties of the Mills they should give three months' notice to the shareholders or any other clause to the same effect;

(*b*) if so, whether any such notice was given to the shareholders; and

(*c*) if not, why not?

A.—(*a*) Yes; to the mortgagor.

(*b*) Yes.

(*c*) Does not arise.

Notice to the Carnatic Paper Mills, Limited, regarding repayment of the dues to Government.

* 696-B *Q.*—Mr. K. V. R. SWAMI : Will the hon. the Minister for Development be pleased to state—

(*a*) whether the Government have given notice to the Carnatic Paper Mills, Limited, that the amount due to the Government should be paid within three months, failing which certain steps would be taken;

[27th November 1928

(b) if so, when the notice was given and when the period of notice will end; and

(c) what steps the Government propose to take if the amount is not paid within the period of notice?

A.—(a) Yes.

(b) (i) On the 2nd October 1928.

(ii) On the 1st January 1929.

(c) The Government will proceed to exercise the power of sale conferred upon them by the mortgage deed.

Mr. K. V. R. Swami:—"With reference to the answer given in clause (c), have the Government entered into contract with anybody for the sale of the Mill?"

The hon. Mr. M. R. Seturatnam Ayyar:—"No, Sir."

Mr. K. V. R. Swami:—"Will it be sold by public auction or by calling tenders?"

The hon. Mr. M. R. Seturatnam Ayyar:—"It can be stated only later on."

Alleged memorial for an experimental running of the Carnatic Paper Mills.

* 697-A Q.—Mr. K. V. R. Swami: Will the hon. the Minister for Development be pleased to state—

(a) whether a number of shareholders of the Carnatic Paper Mills sent up a memorial to the Government requesting them to complete the Mills or at least to make an experimental run of the plant, themselves undertaking to find all the capital required to work the Mills;

(b) whether the Director of Industries recommended the proposal; and

(c) what reply the Government have given to these memorialists?

A.—(a) A memorial was received asking the Government 'to complete the Mills' and run them for a period of six months but there was no undertaking in it to find the working capital required for this period.

(b) The memorial was received direct by the Government.

(c) None.

Mr. K. V. R. Swami:—"The answer to clause (c) is that no reply was sent by the Government. Is there any reason for not sending a reply to the memorial from the shareholders?"

The hon. Mr. M. R. Seturatnam Ayyar:—"The Government did not think it necessary to do so."

Mr. D. Narayana Raju:—"May I know whether the memorial was considered by the Government at all?"

The hon. Mr. M. R. Seturatnam Ayyar:—"It was considered by the Government but no decision was arrived at."

Mr. K. V. R. Swami:—"May I presume that they are still considering the matter?"

The hon. Mr. M. R. Seturatnam Ayyar:—"Yes."